The Concept of Leadership

Introduction – Meaning and Definitions – Concepts and Significance – Importance of Leadership– Leader vs. Managers – Qualities of Leadership – Difference between Leadership and Management – Formal and Informal Leadership – Leadership Trait Questionnaire (LTQ) – Case Study – Exercise.

Learning Objectives of this Chapter are:

- ➤ To know the meaning and definitions of leadership.
- ➤ To understand the concept and significance of leadership.
- ➤ To identify the importance of leadership.
- ➤ To study the Leader vs. Manager.
- ➤ To study the characteristics of leadership.
- ➤ To identify the various studies on leadership characteristics.
- ➤ To explain the difference between the leadership and management.
- ➤ To know the difference formal and informal leadership.

INTRODUCTION

Human beings are the most precious part of the organisation. In the organisation, effectiv utilization of the capacity of human resources depends upon management. Management can ge the results from the people in the organisation in two ways: (i) by exercising authority (ii) b winning support of the people. Out of these, the second method is better as it has a lasting effe over the people's motivation. However, it is only possible when a manager becomes their leader, the real sense to influence their behaviour in desired direction. This leadership is an essenti ingredient for successful organisation. It is an integral part of Management and play a vital role managerial operations. Success of any organisation depends upon the dynamic and effecti eadership.

MEANING AND DEFINITION OF LEADERSHIP

Leadership is an influencing process. It is an important element of directing process. To get things done by subordinates, the manager has to lead and guide their activities. Leadership is a study of influencing the behaviour of subordinates. By influencing the working behaviour of subordinates, the manager directs it towards the accomplishment of organizational objectives. Leadership is required in every organisation, the success or failure of an organisation to the great extent depends on the quality of leadership particularly on the part of top management. It is true that the manager can manage without having qualities of leadership but if he has leadership qualities he can manage efficiently. In this regard Peter Drucker has rightly pointed out that "the managers or business leaders are the basic and scarce resource of any business enterprise and most of the failure of the business establishment has been attributed to ineffective leadership". It is because by using leadership qualities the manager develops vision about organisation and directs the activities of members in that direction. The managers at every level or organisation are expected to be leaders of work group so that subordinates may carry out their instruction and accept their guidance[1]. Thus, leadership is the study of leader's influenced over the thoughts, feelings, opinions, beliefs, attitudes and action of the followers.

Many authors have defined the term leadership and some of the important definitions are given hereunder:[2]

Box 1.1

Leadership is "influencing people to follow the achievement of common goals. It is the ability to exert interpersonal influence by means of communication towards the achievement of goals" – *Koontz O'Donnell.*

"Is a process of interpersonal influence by which executive or manager influences the activities of others in choosing and attaining given goals". – *McFarland.*

Leadership is "the ability of influencing people to strive willingly for mutual objectives". – *Terry.*

"Leadership is the relation function between an individual and a group around some common interest and behaving in a manner directed or determined by them". – *Encyclopaedia of Social Science.*

Managerial leadership "is a process of directing and influencing the task related activities of group members." – *Ralph M. Stogdill.*

A more recent definition of leadership is as follows:

"Leadership is the process of influencing and supporting others to work enthusiastically towards achieving objectives".

An analysis of these definition brings certain features of leadership, which are as follows :[3]

1. Leadership is a continuous process of behaviour; it is not one-shot activity.

2. Leadership may be seen in terms of relationship between a leader and his followers, individuals as well as groups functioning for common goals.

3. By exercising his leadership, the leader tries to influence the behaviour of individuals or group of individuals around him to achieve common goals.

4. The followers work willingly and enthusiastically to achieve those goals. Thus, there is no coercive force, which induces the followers to work.

5. Leadership gives an experience of help to followers to attain common goals. It happens when the leader feels the importance of individuals, gives them recognition, and conveys them about the importance of activities performed by them.

6. Leadership is exercised in a particular situation, at a given point of time, and under specific set of circumstances. It implies that leadership styles may be different under different situations.

CONCEPT AND SIGNIFICANCE OF LEADERSHIP

The concept of leadership has undergone a sea change from the concept of 'born-leader- to 'situation-leader' and to effective leader. Views, assumptions and theories of leadership have changed significantly in recent years. Business and industry have set managers more as leaders to achieve the challenges. The quality of leadership provided by the managers determines the degree of success of business. Some people are born leaders and need little training or development. But many managers do not born with qualitative leadership skills. They need training and development to develop leadership skills. However, born leaders can be more efficient with little training. [4]

For example, Mahatma Gandhi, Jawarharlal Nehru, Indira Gandhi Jamshedji Tata and Dheerubhai Ambani belong to the born leaders category whereas Vikram Singh of Hindustan Aluminum, N.R.Narayana Murthy of Infosys Technology and Parthasaradhi of Hindustan Lever belong to the 'made leaders' category.

Leadership is an important part of managing process. The manager becomes more effective and efficient if he is a good leader. Without having the qualities of a good leader he may find it difficult to direct the activities of subordinates for achieving organizational objectives. More so, the success, development and growth of an organisation depends on the leadership qualities of its managers. Significance of leadership can be understood on the following grounds: [5]

1. **Directing and motivating the subordinates:** Leadership helps in motivating the members of the group to work for the accomplishment of objectives. Leadership may be regarded as an important factor in directing and channelising all energies of the employees in this direction. The leader created an urge among the employees for higher performance. In the words of George Terry "the will to do is triggered by leadership and lukewarm desires for achievement and transformed into a burning passion for successful accomplishment by the skilful use of leadership". Thus, it is only with the help of effective leadership a sense of belongingness, loyalty and commitment can be created among the employees working in an organisation.

2. **Getting cooperation of employees:** Managers can secure high-level co-operation of employees for achieving objectives, when they are good leaders, as a leader manager persuades his subordinates to work more enthusiastically. To seek maximum co-operation from the followers, he modifies their working behaviour and makes it more comfortable and meaningful for achieving organizational goals.

3. **Creating confidence among employees:** By providing guidelines and support to his employees he creates confidence among the employees. He provides psychological support and spirit of enthusiasm among the followers so that they can realize their capabilities and potentialities.

4. **Creating conducive work environment:** Leadership, primarily aims at creating congenial and proper environment in work setting so that the employees can make maximum contribution for seeking the objectives of the organisation. The leader maintains rapport with the followers and has reciprocal relation with them which helps in creating an environment of mutual help and trust.

5. **Introducing change:** Leadership also helps in introducing change in the organisation. The managers who has the qualities of leadership finds it easy to convince the employees about the positive effects of change to be introduced and thereby reduces their resistance to change. He takes them into confidence and seeks their full cooperation for implementing the change. Thus, the leader may be regarded as change facilitating agent in the organisation.

6. **Following discipline among members:** An effective leader has qualities to get his orders and instruction followed by the members. He always attempts to produce goal-directed working behaviour among members and forces them to work in a disciplined manner. He does not exercise an authority but shows exemplary character to maintain discipline, ultimately to achieve the common goals.

7. **Representing the members:** The leader is a representative of members to lead the people. Although, he makes all efforts for directing the behaviour of members towards the accomplishment of group goals, but he also takes care of personal interest of the members. He attempts to protect and promote their interest and integrates it with that of common interest.

8. **Providing satisfaction to the members:** One of the important characteristics of leader is to provide satisfaction. Characteristics of a leader is to provide satisfaction to his members. The real and effective leader is capable of satisfying personal needs and wants of the members in order to motivate and maintain team spirit of members. Thus, leader has capacity to solve the problems and difficulties of the members.

IMPORTANCE OF LEADERSHIP

Leadership is an important element in the process of direction in any organisation. It is a continuous effort of the leader to influence his employees. It is an essential ingredient for successful

organisation. Throughout the history, it has been recognised that the difference between success and failure, whether in a war, a political movement, a business, or a team game can be attributed largely to leadership. The success, development and growth of organisation depends on the leadership qualities of its managers. The importance of good leadership can be discussed as follows:

1. Motivating and guiding subordinates.
2. Securing co-operation of the employees.
3. Creating confidence among the employees.
4. Maintaining discipline among the employees.
5. Developing morale among the employees.
6. Implementing change.
7. Representing the employees.
8. Developing the morale and job satisfaction.

Motivating and guiding subordinates

Leadership helps in motivating the members of the group to work for the accomplishment of the objectives. Leadership may be regarded as an important factor in directing and channelising all energies of the members in this direction. The leader creates an urge among the employees for higher performance. With the help of an effective leadership a sense of belongingness, loyalty and commitment can be created among the employees working in an organisation.

Securing co-operation of the employees

Manager can secure wholehearted co-operation of employees for achieving objectives, when he is a good leader. As a leader the manager persuades his subordinates to work enthusiastically.

Creating confidence among employees

By providing ready help, guidance and support, the leader successfully creates confidence and zeal among the employees.

aintaining discip ine among emp oye

| Le | p | rily aims at creating | ia | r en | ent in work | so |
| that the | e | make maximum con | n | the | ves of an or | on. |

Developing morale among the emp oyees

An effective leader has qualities to get his orders and instruction followed by the employees. He always attempts to produce goal-directed working behaviour among them and forces them to work in a disciplined manner. He does so, not by exercising an authority but by showing exemplary character and maintaining self-discipline and self-restraint.

Implementing change

Leadership process provides proper mechanism for bringing about and implementing changes in the group. Leader uses his skill, innovativeness and creativity for discovering changes and takes the members into confidence for implementing them. Thus, the leader may be regarded as "change facilitating agent" in the organisation.

Representing the employees

The leader is a representative of employees led by him. He also takes care of personal interest of the employees. He attempts to protect and promote their interest and integrates it with that of common interest. Thus, good leadership is essential in all aspects of managerial functions, whether it be motivation, communication or direction. Good leadership ensures success in the organisation, and unsatisfactory human performance in any organisation can be attributed to poor leadership.

Developing morale of the employee

The leader will help the employees to increase the morale and job satisfaction among the employees. He creates job satisfaction among the employees based on the effective guidelines and directions. Leader also helps to solve the various problems of employees. Leader will interact frequently to know the satisfaction and dissatisfaction about their jobs.

LEADER vs. MANAGER

The leader in the new millennium like Mr. Bill Gates of Microsoft, Dheerubai Ambani of Reliance Petrochemicals have created new external environment in the competitive corporate world but the managers in the past like Mr. Krishna Murthy of Maruti Udyog Limited ran the business under the relatively stable environmental factors.

As Bennig put it, "To survive in the twenty-first century, we are going to need a new generation of leaders – leaders, not managers. The distinction is an important one. Leaders conqueror the context – the volatile, turbulent, ambiguous surroundings that sometimes seem to conspire against us and will surely suffocate us if we let them while managers surrender to it."[6]

Thus, managers surrender to the external environment, while leaders fight with the environment and create new environment. Theorists and practitioners are differentiating the leaders from managers only in recent years. This is more so, particularly after globalization and liberalization of world economies. Abraham Zalenznik argues that leaders and managers are very different kinds of people. They differ in motivation, personal history, etc. Managers tend to be impersonal toward goals while leaders take active and personal attitude towards goals.[7]

- Managers tend to view work as an enabling process while leaders work from high task positions, seek out risk and danger when opportunity and reward appear high.
- Managers work with people while leaders relate ideas to people in more intuitive and empathetic ways.

- Managers cope up with change, whereas leaders bring change. Leaders develop a vision and direction for the future. [8]

- Managers have to refer all the functions of management like planning, organizing, directing and controlling. Leader does not require to refer all the functions of the management. Leader only influences the people.[9] The difference between Manager and Leaders can be presented in Exhibit 1.1.

Exhibit – 1.1 The Difference Between Leader and Manager

Manager	Leader
Administers	Innovates
A copy	Orginal
Maintains	Develops
Focuses on systems and structures	Focuses on people
Relies on control	Inspires trust
Short-range view	Long-range perspective
Asks how and when	Asks what and why
Eye on the bottom line	Eye on the horizon
Imitates	Originates
Accepts the status quo	Challenges the status quo
Classic good soldier	Own person
Does things right	Does the right thing.

Source: Warren G. Bennig, "Managing the Dream: Leadership in the 21ª Century," Journal of Organisational Change Management, Vol.2., No.1. 1989.

QUALITIES OF A LEADER

A leader has certain inherent qualities and traits, which assists him in directing and guiding role to influence the people. Some of these traits according to Stogdill are as given below:[10]

1. Physical Features

2. Intelligence

3. Emotional Stability

4. Human Relations

5. Empathy

6. Objectivity

7. Motivating Skills

8. Technical Skills

9. Communication Skills

10. Social Skills

1. Physical Features

Physical feature of a man determined by heredity factor. It is the transmission of the qualities from ancestor to descendant physical features of man includes height, weight, physique, health and appearance. To some extent these are important for leadership.

2. Intelligence

High level of intelligence is required for an effective and successful leader. It is expressed in terms of mental ability and natural quality, which is related to brain. It can be increased through various training programmes.

3. Emotional Stability

A leader should be free from bias. He is consistent in action, and retrains from anger. He shouled be well-adjusted without having anti-social attitudes. He is self-confident to solve the problems based on the situations. Thus, a leader should have high level of emotional stability.

4. Human Relations

A leader has to maintain good human relations to influence the people according to his objectives. The leader also requires understanding the behaviour and knowledge of the people and satisfy their needs. The leader has to maintain good human relations with all the employees working in the organization for the success of his leadership.

5. Empathy

Empathy is understanding the things and situations from others' point of view. A leader has to observe the things from others' point of view for the success of his leadership. Empathy requires respect for the other persons, and their rights, beliefs, values and feelings. Thus, empathy is essential for the leader.

6. Objectivity

Objectivity relates to relevant facts and information. The leader has to assess these without any basis or prejudice. Objectivity should be based on his relationship. Thus, a leader has to make clear objectives is for the success of his leadership.

7. Motivating Skills

A leader should require qualities to motivate his followers. Motivation of employees will help to improve the performance for better results. Motivation may be financial or non-financial. Thus leader has to motivate his employees to do work effectively and efficiently for the success of his leadership.

Box 1.2 Studies on Leadership Characteristics

Stogdill (1948)	Mann (1959)	Stogdill (1974)	Lord, Devader, and Alliger (1986)	Kirkpatrick and Locke (1991)	AC MOHAN (2005)
Intelligence	Intelligence	Achievement	Intelligence	Drive	Physical Features
Alertness	Masculinity	Persistence	Masculinity	Motivation	Intelligence
Insight	Adjustment	Insight	Dominance	Integrity	Emotional Stability
Responsibility	Dominance	Initiative		Confidence	Human Relations
Initiative	Extroversion	Self-Confidence		Cognitive ability	Empathy
Persistence	Conservation	Responsibility		Task	Objectivity
Self-Confidence		Co-operativeness		Knowledge	Motivating Skills
Sociability		Tolerance			Technical Skills
		Influence			Communication Skills
		Sociability			Social Skills

(**Source:** Modified Version from Peter G. Norshouse, Leadership (Theory & Practice)

8. Technical Skills

A successful leader should have the ability to plan, organize, delegate, analyse, seek advice, make decision control and co-operation. All these will help to compete leadership.

9. Communication Skills

A successful leader should know how to communicate the ideas effectively to his followers. A leader has to send the message skillfully and in stimulating process for the success of his leadership.

10. Social Skills

A leader has to understand the strength and weaknesses of his people. He has the ability to co-operate the people to do the work. Thus, successful leader requires social skills.

Though all these qualities contribute to the success of leadership. Successful leader in equal quality may not possess them. The above list of qualities may be suggestive and not comprehensive.

The above traits are not universal in nature, nor all the leaders have all these traits. Not all these traits work all the time. Some of these characteristics are different from leader to leader. The leadership behaviour is directly related to individual and group work activity, loyalty of the group, absence, turnovers and employee morale. These are some of the indicators, which to some degree reflect the effectiveness of leadership behaviour. Thus, all these qualities may be suggestive and not comprehensive.

DIFFERENCE BETWEEN LEADERSHIP AND MANAGEMENT

Leadership and management are related but they are not the same. A person can be an effective manager, a leader, both, or neither. This is due to the fact that leadership differs from management on some aspects. Many researchers have studied, both the leadership and management concepts. They have concluded that leadership differs from management in terms of the emphasis that is put on four activities – creating an agenda, developing a human network for achieving the agenda, executing plans, and outcomes of activities. While leadership emphasizes change in these activities, management believes in status quo. Stephen Covey, a consultant on developing leadership, has emphasized the difference between leadership and management as follows. "(See box 1.3, 1.4 and 1.5).

Leadership is a process that is similar to management in many ways. Leadership involves influence, as does management. Leadership requires working with people, which management requires as well. Leadership is concerned with effective goal accomplishment and so is management. In general, many of the functions of management are activities that are consistent with the definition of leadership we set forth in the beginning of this chapter. But leadership is also different from management. While the study of leadership can be tracked back to Aristotle, management emerge around the turn of the 20th Century with the advent of industrialized society. Management created as a way to reduce chaos in organisations and to make them run more effectively.

efficiently. The primary functions of management, first identified by Fayol (1916), were planning, organizing, staffing, and controlling. These functions are still representatives of the field of management today.

Box 1.3

1. Leadership deals with vision – keeping the mission in sight – and with effectiveness and results. Management deals with establishing structure and systems to get those results.

2. Leadership focuses on the top line; management focuses on the bottom line. Leadership derives its power from values and correct principles, whereas Management organizes resources to serve selected objectives to produce the bottom line.

3. Leadership inspires and motivates people to work together with a common vision and purpose. Management involves controlling and monitoring results against plans, identifying deviations, and then planning and organizing to solve the problems.

4. Leadership emphasizes transformation aspect and, therefore, transformational leadership emerge. On the other hand management focuses on transactional aspect and, therefore, transactional leadership emerges.

Box 1.4

MANAGEMENT	LEADERSHIP
"Produces order and consistency"	"Produces change and movement"
Planning/Budgeting	**Establishing Direction**
• Establish agendas	• Create a vision
• Set time-tables	• Clarify big picture
• Allocate resources	• Set strategies
Organizing/Staffing	**Aligning People**
• Provide structure	• Communicate goals
• Make job placements	• Seek commitment
• Establish rules and procedures	• Build teams and coalitions
Controlling/Problem Solving	**Motivating and Inspiring**
• Develop incentives	• Inspire and energize
• Generate creative solutions	• Empower subordinates
• Take corrective action	• Satisfy unmet needs

Source: Adapted from, *A Force for Change: How Leadership Differs From Management* by John P. Kotter, 1990, New York: Free Press.

In a book that compared the functions of management with the functions of leadership, Kotter (1990) argued that the functions of the two are quite dissimilar (Box 1.3). The overriding function of management is to provide order and consistency to organisations, whereas the primary function of leadership is to produce change and movement. Management is about seeking order and stability; leadership is about seeking adaptive and constructive change. As illustrated in Box 1.3, the major activities of management get played differently than the activities of leadership. While different in scope, Kotter (1990) contended that both management and leadership are essential if an organisation is to prosper. For example, if an organisation has strong management without leadership, the outcome can be stifling and bureaucratic. Conversely, if an organisation has strong leadership without management, the outcome can be meaningless or misdirected change for change's sake. To be effective, organisations need to nourish both competent management and skilled leadership.

Box 1.5 Differences between Leadership and Management

Sl. No.	Factors	Leadership	Management
1.	Source of power	Personal abilities	Authority delegated
2.	Focus	Vision and purpose	Operating results
3.	Approach	Transformational	Transactional
4.	Process	Inspiration & influencing	Directing and controlling
5.	Emphasis	Collectivity	Individualism
6.	Futurity	Proactive	Reactive
7.	Type	Formal and informal	Formal
8.	Progress	Innovating	Planning & organizing

FORMAL AND INFORMAL LEADERSHIP

Leadership is broadly divided into two types: 1. Formal Leaders, 2. Informal Leaders. The formal leaders are appointed or elected based on official authority. For example, anyone who is appointed to the job of a manager is also given the authority to exercise formal leadership in relationship to his subordinates. Similarly, a formally elected leader of a country or a state acquires the authority of leadership and in giving directions to the country or state. Informal leaders are exercised the power based on their interpersonal influence. They are not designated any authority or power. They emerge in certain situations because of their intelligence, skills and knowledge. Informal leaders generally influence the people based on the influencing capacity.

The informal leaders use interpersonal influences in a group without designated authority or power. These leaders are not officially elected. These leaders emerge in certain situations because of their charm, intelligence, skills or other traits and to whom other people turn to for advice, direction and guidance. Religious and civic leaders fit into this category. Successful managers who exercise their given authority in a formal way are also capable to exercising informal leadership relationships with people both within as well as outside the organisation.

The example above provides ratings for the first three characteristics, which help explain how the questionnaire can be used. For example, on the characteristic. Articulate, the leader rated himself or herself significantly higher than the observers. On the second characteristic, Perceptive, the leader rated himself or herself substantially lower than others. On the self- confident characteristics, the leader was quite close to others' ratings of his or her leadership.

There are no best ratings on this questionnaire. The purpose of the instrument is to give you a way to assess your strengths and weaknesses and to evaluate areas where your perceptions are congruent with others and where there are discrepancies.

CASE STUDY ON LEADERSHIP CHARACTERISTICS

A Remarkable Turnaround

Carol Baines was married for 20 years to the owner of the Baines company until he lost his life in a tragic car accident. After his death, Carol decided not to sell the business but to try to run it herself. Before the accident, her only involvement in the business was in informal discussions with her husband over dinner, although she has a college degree in business, with a major in management.

Baines company was one of three office suppliers in a city with a population of 200,000 people. The other two stores were owned by national chains. Baines company had stable sales of about $200,000 a year, serving mostly the smaller companies in the city. The firm had not grown in a number of years and was beginning to feel the pressure of the advertising and lower prices of the national chains.

For the first 6 months, Carol spent her time familiarizing herself with the employees and the operations of the company. Next, she did a citywide analysis of those companies that had reason to purchase office supplies. Based on her understanding of Baines's capabilities and her assessment of the potential market for their products and services, Carol developed a specific set of short-term and long-range goals for the company. Behind all of her planning, Carol had a vision that Baines could be a viable, healthy, and competitive company. She wanted to carry on the business that her husband had started, but more that that, she wanted it to grow.

Over the first 5 years, Carol invested significant amounts of money in advertising, sales, and services. These efforts were well spent because the company began to show rapid growth immediately. Because of the growth, another 20 individuals were hired at Baines.

The expansion at Baines was particularly remarkable because of another major hardship Carol had to confront. Carol was diagnosed with breast cancer a year after her husband died. The treatment for her cancer included 2 months of radiation therapy and 6 months of strong chemotherapy. Although the side effects included losing her hair and being very tired, Carol continued to manage the company throughout the ordeal. In spite of her difficulties, Carol was successful. Under the strength of her leadership, the growth at Baines continued for 10 consecutive years.

LEADERSHIP TRAIT QUESTIONNAIRE (LTQ)

Instructions : The purpose of this questionnaire is to measure personal characteristics of leadership. The questionnaire should be completed by the leader and five individuals who are familiar with the leader.

For each adjectives listed below indicate the degree to which you think the adjective describes the leader. Please select one of the following responses to indicate the strength of your opinion.

Key: 5 = Strongly agree 4 = Agree 3 = Neutral 2 = Disagree 1 = Strongly disagree

1.	Articulate – Communicates effectively with others.	1 2 3 4 5
2.	Perceptive – Discerning and insightful.	1 2 3 4 5
3.	Self-confident – Believes in oneself and one's ability.	1 2 3 4 5
4.	Self-assured – Secure with self, free of doubts.	1 2 3 4 5
5.	Persistent – Stays fixed on the goals(s), despite interference.	1 2 3 4 5
6.	Determined – Takes a firm stand, acts with certainty.	1 2 3 4 5
7.	Trustworthy – Acts believable, inspires confidence.	1 2 3 4 5
8.	Dependable – Is consistent and reliable.	1 2 3 4 5
9.	Friendly – Shows kindness and warmth.	1 2 3 4 5
10.	Outgoing – Talks freely, get along well with others.	1 2 3 4 5

Scoring Interpretation

The scores you received on the LTQ provide information about how you see yourself and how others see you as a leader. The chart allows you to see where your perceptions are the same as others and where they differ from others.

		R1	R2	R3	R4	R5	AVE	SELF	DIF
1.	Articulate	4	3	5	2	5	3.8	5	-1.2
2.	Perceptive	3	5	5	5	4	4.4	3	+1.4
3.	Self-confident	4	4	5	4	4	4.2	4	+0.2
4.	Self-assured								
5.	Persistent								
6.	Determined								
7.	Trustworthy								
8.	Dependable								
9.	Friendly								
10.	Outgoing								
	Total								

Source: Peter G. Northouse, *Leadership Theory and Practice*, Response Books, New Delhi, 2003.

Interviews with new and old employees at Baines revealed much about Carol's leadership. Employees said that Carol was a very solid person. She cared deeply about others and was fair and considerate. They said she created a family-like atmosphere at Baines. Few employees had quit Baines since Carol took over. Carol was devoted to all the employees and she supported their interests. For example, the company has a softball team in the summer and a basketball team in the winter, and both are sponsored by Baines. Others described Carol as a strong individual. Even though she had cancer, she continued to be positive and interested in them. She did not get depressed with the cancer and its side effects, even though is was difficult. Employees said she was a model of strength, goodness, and quality.

At the age of 55, Carol turned the business over to her two sons. She continues to act as the president but does nor supervise the day-to-day operations. The company is presently doing more than $3.1 million in sales, and it outpaces both of the other two chain stores in the city.

Questions

1. How would you describe Carol Baines's leadership traits?
2. How big a part did Carol's traits play in the expansion of the company? understand
3. Would Carol be a leader in other business contexts?

EXERCISE ON LEADERSHIP ROLES

INTSTRUCTIONS: Indicate the following scale:

1- disagree strongly; 2- disagree; 3- neutral; 4- agree; 5- agree strongly

1. Many people imitate my ideas.

   1   2   3   4   5

2. Building team spirit is important to me.

   1   2   3   4   5

3. I would enjoy coaching other members of the team.

   1   2   3   4   5

4. It is important to me to recognize others for their accomplishments.

   1   2   3   4   5

5. I would enjoy entertaining visitors to my firm even if it interfered with my completing a report.

   1   2   3   4   5

6. It would be fun for me to represent my team at gathering outside our department.

   1   2   3   4   5

7. What my team accomplishes is more important than my personal glory.

    1   2   3   4   5

8. I like to cheer people up even when my own spirits are down.

    1   2   3   4   5

9. It's easy for me to compliment others.

    1   2   3   4   5

10. It's a good practice to ask people provocative questions about their work.

    1   2   3   4   5

11. It would be accurate to say that I have inspired other people.

    1   2   3   4   5

12. It is enjoyable to have people count on me for ideas and suggestions.

    1   2   3   4   5

13. The problems of my teammates are my teammates are my problems too.

    1   2   3   4   5

14. Resolving conflict is an activity I enjoy.

    1   2   3   4   5

15. I would cooperate with another unit in the organization even if I disagreed with the position taken by its members.

    1   2   3   4   5

16. Team members liten to me when, I speak.

    1   2   3   4   5

17. I am an idea generator in the job.

    1   2   3   4   5

18. It is fun for me to bargain whenever I have the opportunity.

    1   2   3   4   5

Total score: _____

For Answer Email: dracmohan_mannava@yahoo.com

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CLASSIFICATION OF LEADERSHIP THEORIES

Leadership Theories can be classified into various types by many Authors. The important theories can be classified into the following are:

1. Trait Theory
2. Behavioural Theory
3. Situational Approach
4. Path-Goal Theory of Leadership
5. Fielder's Contingency Theories
6. McGregor's Theory X and Theory Y
7. Charismatic Leadership Theory
8. Transformational Leadership Theory

TRAIT THEORY

Trait is defined as relatively enduring quality of an individual. The trait approach seeks to determine 'what makes a successful leader' from the leader's own personal characters. Trait approach leadership studies were quite popular between 1930 and 1950. The method of study was to select leaders of eminence and characteristics were studied. It was the hypothesis that the persons having certain traits could be successful leaders. A number of research studies were conducted during the last 50 years. The cumulative findings of these studies conclude that some traits increase the likelihood of success as a leader, but more of the traits guarantee success.

Trait theories of leadership sought personality, social, physical or intellectual traits thos differentiated leaders from non-leaders. Traits theorists refer the people like Mahatma Gandh Indira Gandhi, Marget Thatcher, Nelson Mandela, N.T. Rama Rao and describe them in terms c charismatic, enthusiastic and courageous. Thus, trait theories assume that leaders are born, mad The research studies focus on personal traits or characteristics that distinguish the leaders fro the followers and a successful leader from an unsuccessful leader. The characteristics of successf leaders can be presented in the following exhibit.

Stogdill has presented a review of various research studies. According to him various tr theories have suggested these traits in a successful leader. The following are the major inn qualities in a successful leader:

1. Physical features
2. Intelligence
3. Emotional stability
4. Human relations
5. Empathy

6. Objectivity

7. Motivating skills

8. Technical skills

9. Communication skills

10. Social skills

Exhibit 2.1 Characteristics of Successful Leaders

Trait/Characteristic	Description
Drive	Desire for achievement, ambition, and high energy, tenacity, initiative
Honesty and Integrity	Trustworthy, reliable, open
Leadership Motivation	Desire to exercise influence over others to reach their goals.
Self-confidence	Trust in own abilities
Cognitive Ability	Intelligence, ability to integrate and interpret large amounts of information
Knowledge of the business	Knowlede of industry, relevant technical matters
Creativity	Originality
Flexibility	Ability to adapt to need of followers and requirements of the situation

Source: Jerald Greenberg and Robert A.Bazron, "Behaviour in Organisation,"
Prentice-Hall of India, 1999, p. 501.

Though all these qualities contribute to the success of leadership, but it cannot be said for certain about the relative contributions of these qualities. Motivation, it is not necessary that successful leader in equal quantity possesses all these qualities. The list of qualities may be only suggestive and not comprehensive.

Evaluation of Trait Theory

The Trait theory is very simple. However, this fails to produce clear-cut results. It does not consider the whole environment of leadership of which trait may be only one factor. Moreover, no generation can be drawn about various traits for leadership, as there were considerable variations in traits established by various researchers. Jennings has concluded, 50 years of study has failed to produce one personality trait or set of qualities that can be used to discriminate leaders and non-leaders. In brief, this approach presents the following problems:

1. There cannot be generation of traits for a successful leader. This was evident by various researches conducted on leadership traits.

SITUATIONAL APPROACH

The prime attention in this approach is given to the situation in which leadership is exercised. Since 1945, much emphasis in leadership research is being given to the situations that surround the exercise of leadership. For the first time, this approach was applied in 1920 in armed forces of Germany with the objective to get good Generals under the different situations. Winston Churchill was treated to be the most efficient Prime Minister during the Second World War. However, he was a flop afterwards when the situation changed. Ohio State University research has given four situational variables that effect performance of leadership. These are.

1. The cultural environment
2. Difference between individuals
3. Difference between jobs
4. Difference between organizations.

1. The cultural environment: Culture is a man made social system of belief, faith and value. Culture has a significant influence upon behaviour and any understanding of employee's behaviour requires the understanding of culture in which he lives. Culture may interfere with rational production efficiency by requiring action unnecessary or unrealistic from a national point of view, but necessary from culture point of view. Thus, leadership should be directed to influence behaviour of followers in the context of culture.

2. Difference between individuals: Human Behaviour is caused by some combination of antecedent factors. Besides for any given aspect of behaviour, there may be many contributing factors, not causative in nature. There are a variety of such factors which affect behaviour in different ways such as aptitudes, personality characteristics, physical characteristics, interest and motivation, age, sex, experience, etc., within this framework, individuals in the leadership process may be classified as leaders and followers. The individual characters affect the leadership process. Thus, some persons may perceive particular leadership style suitable while others may have different perceptions.

3. Difference between jobs: People are performing different types of jobs in the organisation. The importance of placing individuals in jobs which they can perform at satisfactory level stems from four different considerations such as economic, legal, personal and social. Different conditions also influence leadership behaviour differently. It is because of the fact that demands of jobs almost inevitably force a leader into certain kinds of activities. Such requirements do much to set the framework within which the leader must operate.

4. Difference between the organisations: Various organisations differ on the basis of their size, ownership pattern, objective, complexity, managerial pattern, organizational structure leadership pattern and cultural environment, etc. In different types of organizations, leadership process tends to differ. For example, in military or Government administration, leadership behaviour will be different as compared to business organisation.

1. Employees find work as natural as play if organizational conditions are appropriate. People appear averse to work only because their past work experiences have been unsatisfactory.

2. Employees can be motivated by higher order needs such as Ego, Autonomy and Self actualization.

3. Employees seek responsibility since it allows them to satisfy higher order needs.

4. Most of the employees are willing to accept and will even seek responsibility under proper conditions.

5. Most of the employees are capable of demonstrating more of both creativity and intellectual ability than they do in many organizational settings.

It is clear that the above set of assumptions has quiet different implications for leadership. If it is assumed that man has the potential for development, the capacity for assuming responsibility and the readiness to direct his own behaviour towards organizational goals, it follows that the manager has to act more as a sympathizer and supporter than as a director and controller. Thus he is likely to have a democratic style with an occasional touch of *laissez faire*. In others words Theory Y relies heavily on self-control and self-direction of an employee as opposed to the reliance on external control of his behaviour in Theory X.

Modern Theories of Leadership

The modern theories of leadership can be classified into Two types; they are:

1. Charismatic leadership theory

2. Transformational leadership theory.

CHARISMATIC LEADERSHIP THEORY

According to House, the characters of the charismatic leaders include: self-confidence, confidence in subordinates, high expectations for subordinates, ideological vision, and use of personal example. The characters of the followers of the charismatic leaders include: identification with the leader's mission, exhibit extreme loyalty to and confidence in the leader, emulate the leader's values, behaviours and derive self-esteem from their relationship with the leader. It is called as Great Theory of Leadership.

Mahatma Gandhi's character of self-confidence, ideological vision and personal example made him as a charismatic leader. Mr. Dheerubhai Ambani's character of self-confidence, Ramalinga Raju's (of Satyam Computers) character of confidence in subordinates and expectation for subordinates made them charismatic leaders. These characters of Ramalinga resulted in performance of the followers beyond the expectations. Similarly, Mr. Kurian's ideological vision resulted in the success of 'white resolution'. Dr. N.T.Rama Rao's unconventional behaviour made as Chief Minister of Andhra Pradesh. (Exhibit 2.2).

Exhibit 2.2 Key Characteristics of Charismatic Leaders

1. Self-confidence. They have complete confidence in their judgement and ability.

2. A vision. This is an idealized goal that proposes a future better than the status quo. The greater the disparity between this idealized goal and the status quo, the more likely that followers will attribute extraordinary vision to the leader.

3. Ability to articulate the vision. They are able to clarify and state the vision in terms understandable to others. This articulation demonstrates on understanding of the follower's needs and, hence, acts as a motivating force.

4. Strong conviction about the vision. Charismatic leaders are perceived as being strongly committed, and willing to take on high personal risk, incurs high cost, and engage in self-sacrifice to achieve their vision..

5. Behaviour that is out of the ordinary. Those with charisma engage in behaviour that is perceived as being, none, unconventional, and counter to norms. When successful, these behaviours evoke surprise and admiration in followers.

6. Perceived as being a change agent. Charismatic leaders are perceived as agents of radical change rather than as caretakers of the status quo.

7. Environment sensitivity. These leaders are able to make realistic assessments of the environmental constraints and resource needed to bring about change.

Source: Based on J.A.Conger and R.N.Kanungo, "Behavioural Dimensions of Charismatic Leadership," in J.A.Conger and R.N.Kanungo, Charismatic Leadership (San Francisco: Jossey – Boss, 1988), p.91.

Exhibit 2.3 Ethical and Unethical Characteristics of Charismatic Leaders

Ethical Charismatic Leader	Unethical Charismatic Leader
• Uses power to serve others.	• Uses power only for personal gain or impact.
• Align vision with followers needs and aspiration	• Promotes own personal vision.
• Considers and learns from criticism.	• Censures critical or opposing views.
• Stimulates followers to think independently and to question the leader's view.	• Demands own decision be accepted without questions.
• Open, two way communication.	• One-way communication.
• Coaches, develops, and supports Followers; shares recognition with others.	• Insensitive to follower's needs.
• Relies on internal moral standards to satisfy organizational and societal interests.	• Relies on convenient, external Moral standards to satisfy self-interests.

Source: Academy of Management, Executive, May, 1992.

Chaismatic leaders, thus, lure and motivate the subordinates towards performance beyond expectations, innovations, creations, and create the work culture among the followers. Charismatic leaders tend to be portrayed as wonderful heroes. However, there can also be unethical character associated with these leaders. (Exhibit 2.3). Behavioural components of charismatic and non charismatic leaders are presented in Exhibit 2.4.

Exhibit 2.4 Behavioural Components of Charismatic and Non Charismatic Leaders

Charismatic Leaders	Non Charismatic Leaders	Charismatic Leaders
Relation to *Status Quo*	Essentially agrees with *status quo* and strives to maintain it.	Essentially opposed to *status quo* and strives to change it.
Future Goal	Goal not too discrepant from *status quo*.	Idealized vision which is highly discrepant from *status quo*.
Likableness	Shared perspective makes him/her likable.	Shared perspective and idealized vision makes him/her a likable and Honourbale hero, worthy of identification and imitation.
Trust-Worthiness	Disinterested advocacy in persuasion attempts.	Disinterested advocacy by incurring great personal risk and cost.
Expertise	Expert in using available means to achieve goals within the framework of the existing order.	Expert in using unconventional means to transcend the existing order.
Behaviour	Conventional, conforming to existing norms.	Unconventional or counter normative.
Environmental Sensitiivity	Low needs for environmental sensitivity to maintain *status quo*.	High need for environmental sensitivity for changing the *status quo*.
Articulation	Weak articulation of goals and motivation to lead.	Strong articulation of future vision and motivation to lead.
Power Base	Position power and personal power (based on reward, expertise and liking for a friend who is a similar other).	Personal power (based on expertise, respect, and admiration for a unique hero).
Leader Follower	Egalitarian, consensus seeking, or directive. Nudges or orders people to share his/her views.	Elitist, entrepreneur and exemplar. Transforms people to the radical changes advocated.

Source: Richard M. Hodgetts, *Organisational Behaviour*, p. 234.

TRANSFORMATIONAL LEADERSHIP THEORY

Mr. Nair of Roorkela Steel Plant of SAIL, Mr. G. Subba Rao of Andhra Pradesh Paper Mills Limited, and Mr. Krishna Kumar of Tata Tea and Prof. M. Rama Mohana Rao of Indian Institute of Management, Bangalore transformed their organisations from loss-making/less performed into highly profit making/highly performed companies/organisations. Mr. Anji Reddy of Dr. Reddy Labs made his company as one of the leading Pharmaceutical companies with R & D base.

Transformational leadership theory conceptualizes such developments.

Two types of political leadership *viz.*, transactional and transformational are identified. Transactional leadership involves an exchange relationship between leaders and followers. Whereas, transformational leadership is based on leaders' shifting the values, beliefs and needs of the followers. The characteristics of transformational leaders include identifying themselves as a change agents, courageous, belief in people, value driven, lifelong learners, have the ability to deal with complexity and visionaries Exhibit 2.5 presents the characteristics of transactional and transformational leaders.

Exhibit 2.5 Transformational Leadership in South Korea

In 1989, When Lee Hun–Jo became Chief Executive of the once-successful Korean electrical appliance and electronics company Goldstar, the company was headed for ruin. Global and domestic share was slipping, quality was declining and even rank – and – file employees realized that if things did not change, bankruptcy was imminent. Less than 10 years after Hun – Jo took over, Goldstar (renamed LG Electronics Co. In 1994) recovered its spot as the top producer of washing machines, refrigerators and colour Tvs in Korea. LG Electronics is also gaining ground globally in the areas of liquid – crystal displays and semiconductors.

Hun–Jo realized from the start that nothing short of a major transformation was necessary to turn around LG Electronic's fortunes. As he put it, "You have to transform human beings. If you can't change your people, you can't change your organization. If you can't do that, you can't reach your goal."

Hun-Jo's vision for LG Electronics included its being a top performer domestically and globally. He also envisioned dramatic changes for the organization's structure and culture. Like many Korean companies, LG Electronics had a relatively rigid hierarchy with decision making centralized at the top and a culture that respected authority and tradition. Hun–Jo's vision included decentralization of decision making and a culture supportive of efficiency, effectiveness and innovation. In numerous face-to-face meetings, Hun–Jo enthusiastically communicated his vision throughout LG Electronics, made many changes to support it and even has taken symbolic steps to communicate that things are changing. Rather than wearing the conservative neckties favoured by Korean top managers, Hun–Jo wears radiantly coloured ties and refuses to sit in the traditionally honoured spots reserved for the Chief Executive in meetings with managers.

Hun-Jo intellectually stimulates his subordinates in multiple ways. He has opened new paths to communication between non-managerial employees and managers and has openly shared

the company's problem with employees and made them feel responsible for helping to solve them. Decision making has been decentralized and all employees are encouraged to feel responsible for coming up with improvements, ideas for new products and ways to increase quality. LG Electronics traditionally took products developed by foreign competitors, such as the Japanese and tried to copy and customize them for the Korean market place. Part of Hun-Jo's vision is for LG Electronics to come up with its own innovative products. He made product development engineers feel responsible for doing this and sent them out to talk to LG Electronic's customers to see what they really wanted. As a result of this intellectual stimulation, LG Electronics now has an innovative and best-selling product on its hands – a refrigerator specially designed to keep kimchi (Korea's national dish of pickled and fermented cabbage and radishes) fresh tasting and smelling for much longer than is possible in a conventional refrigerator.

Hun-Jo also engages in developmental consideration. He has taken dramatic steps to improve management relations with the union and not only has shared information with union leaders but also encouraged them to meet with him whenever they wanted to determine how to improve things at LG Electronics. He wants his employees to reach their full potential and is doing whatever he can think of to help them do that. Hun–Jo also reads extensively about the latest advances in management thought and practice in the United States and other countries to help himself be an effective manager and leader. All in all, Hun-Jo seems to be just the kind of leader LG Electronics needed to regain its position as a top–performing global organization-a transformational leader.

(*Source:* Gareth R. Jones, et. al., *Management*, Irwin McGraw-Hill, 1998, p.422)

Exhibit 2.6 Characteristics of Transactional and Transformational Leaders

Transactional Leader

Contingent Reward: Contracts exchange of rewards for effort, promises rewards for good performance, recognizes accomplishments .

Management by Exception (active): Watches and searches for deviations from rules and standards, takes corrective action.

Management by Exception (Passive): Intervenes only if standards are not met.

Laissez-Faire: abdicates responsibilities, avoids making decisions.

Transformational Leader

Charisma: Provides vision and sense of mission, instills pride, gains respect and trust.

Inspiration: Communicates high expectations, uses symbols to focus, expresses important purposes in simple ways.

Intellectual Stimulation: Promotes intelligence, rationality, and careful problem solving.

Individualized Consideration: Gives personal attention, treats each employee individually coaches, and advises.

Source: B.M.Boss, "From Transactional to Transformational Leadership: Learning to Share the vision", Organizational Dynamics, Winter 1990. p. 22).

Leadership Ethics

Meaning and Significance – Definition of Ethics – Ethical theories – Central Points to Leadership Ethics – Some Research Trends on Leadership Ethics – Principles of Ethical Leadership – Exercise – Case Study.

Learning Objectives of this Chapter are:

- To understand the meaning and significance of leadership ethics.
- To study the definitions of leadership ethics.
- To examine the ethical theories.
- To identify the central points to leadership ethics.
- To know some research trends on leadership ethics.
- To explain the principles of ethical leadership.

MEANING AND SIGNIFICANCE

This chapter is different from other chapters in this book. Generally, the other chapters focus on Leadership Characteristic, Theories and Styles. Whereas, this chapter presents a broad set of ethical view points. Human beings have been concerned with the ethics of our leaders. Later, our history books are replete with descriptions of good kings and bad kings, great empires and evil empires, and strong presidents and weak presidents. But in spite of a wealth of biographical accounts of great leaders and their morals, very little research has been published on the theoretical foundations of leadership ethics. While there have been many studies on business ethics in general since the early 1970s, these studies have been only tangentially related to leadership ethics.

This chapter presents leadership ethics by defining ethics, giving an overview of ethical theories, discussing why ethics is central to leadership, and describing the unique perspectives of Heifetz, Burns, and Greenleaf. The chapter continues with a discussion of five principles of ethical leadership: respect, service, justice, honesty, and community. Finally, some strengths and weaknesses of present-day leadership ethics are mentioned.

DEFINITIONS OF ETHICS

The word *ethics* has its roots in the Greek word *ethos*, which means "customs," "conduct," or "character." Ethics is concerned with the kinds of values and morals an individual or society finds desirable or appropriate. Furthermore, ethics is concerned with the virtuousness of individuals and their motives. Ethical theory provides a system of rules or principles that guide us in making decisions about what is "right or wrong" and "good or bad" in a particular situation. It provides a basis for understanding what it means to be a morally decent human being. Thus, it is a set of principles of values and morals relating to the behaviour of the individuals.

ETHICAL THEORIES

For the purposes of studying ethics and leadership, ethical theories can be thought of as falling within two broad domains: theories about leaders' *conduct* and theories about leaders' *character*. Stated another way, ethical theories are about the actions of leaders, on the one hand, and who they are as people, on the other. Throughout the chapter, our discussions about ethics and leadership will always fall within one of these two domains.

Ethical theories are concerned with the conduct of leaders. They are divided into two kinds: theories that stress the *consequences* of leaders' actions, and those that emphasize the *duty* or *rules* governing leaders' actions. Teleological theories, from the Greek word *telos*, meaning "ends" or "purposes," try to answer questions about right and wrong by focusing on whether an individual's conduct will produce desirable consequences. The question, "What is right?" from the teleological perspective is answered by looking at results — at the outcomes. In effect, the consequences of an individual's actions determine the goodness or badness of a particular behaviour.

In assessing consequences, there are three different approaches to making decisions regarding moral conduct. One *is ethical egoism,* which states that an individual should act so as to create the greatest good for herself or himself. A leader with this orientation would take a job or career that he or she selfishly enjoys (Avolio & Locke, 2002). Self-interest is an ethical stance closely related to transactional leadership theories (Bass & Steidlmeier, 1999). Ethical egoism is common in some business contexts in which a company and its employees make decisions in ways that will achieve its goal of maximizing profits.

Ethical Theories Based on Self-Interest Versus Interest for Others

High	• Ethical Egoism		
Medium		• Utilitarianism	
Low			• Altruism
	Low	Medium	High

Concern For Self-Interest

Concern For
The interest of others

A second teleological approach is *utilitarianism,* which states that we should behave so as to create the greatest good for the greatest number. From this viewpoint, the morally correct action is the action that maximizes social benefits while minimizing social costs (Schumann, 2001). When the U.S. government allocates a large part of the federal budget for preventive health care rather than for catastrophic illnesses, it is acting from a utilitarian perspective—putting money where it will have the best result for the largest number of citizens. Closely related to utilitarianism, and opposite of ethical egoism, is *altruism,* an approach that suggests that actions are moral if their primary purpose is to show concern for the best interests of others. From this perspective, a leader may be called on to act in the interests of others, even when it runs contrary to his or her own self-interests (Bowie, 1991). Authentic transformational leadership is based on altruistic principles (Bass & Steidlmeier, 1999; Kanungo & Mendonca, 1996). The strongest simple of altruist ethics can be found in the work of Mother Teresa, who gave her entire life to help poor people.

While teleological and deontological theories approach ethics by looking at the behaviour or conduct of a leader, a second set of theories approaches ethics from the viewpoint of a leader's character. These theories are called virtue-based theories, and they focus on who leaders are as people. In this perspective, virtues are rooted in the heart of the individual and in his or her disposition (Pojman, 1995). Furthermore, it is believed that virtues and moral abilities are not innate but can be acquired and learned through practice. People can be taught by their families and communities to be morally appropriate human beings.

Although virtue theories have only recently regained their popularity, their origin can be traced back in the Western tradition to the Greek period and the works of Plato and Aristotle. The Greek term associated with these theories is *aretaic,* which means "excellence" or "virtue." Consistent with Aristotle, current advocates of virtue-based theory stress that more attention should be given to the development and training of moral values (Velasquez, 1992). Rather than tell people what to do, attention should be directed toward telling people what to *be*—by helping them to become more virtuous.

What, then, are the virtues of an ethical person? There are many, all of which seem to be important. Based on the writings of Aristotle, a moral person demonstrates the following virtues: courage, temperance, generosity, self-control, honesty, sociability, modesty, fairness, and justice (Velasquez, 1992). For Aristotle, virtues allowed individuals to live well in communities. Applying ethics to leadership and management, Velasquez has suggested that managers should develop virtues such as perseverance, public-spiritedness, integrity, truthfulness, fidelity, benevolence, and humility.

In essence, virtue-based ethics is about being and becoming a good, worthy human being. While people can learn and develop good values, this theory maintains that virtues are present within the individual's disposition. When practiced over time, from youth to adulthood, good values become habitual and part of the persons themselves. From telling the truth, people become truthful; from giving to the poor, people become benevolent; and from being fair to others, people become just. Our virtues are derived from our actions and our actions manifest our virtues (Frankena 1973; Pojman, 1995).

CENTRAL POINTS TO LEADERSHIP ETHICS

Leadership Ethics are more important, the are related to principles and values. Every leader has a distinct philosophy and point of view. All leaders "have an agenda, a series of beliefs, proposals, values, ideas, and issues that they wish to 'put on the table'" (Gini, 1998). The values promoted by the leader have a significant impact on the values exhibited by the organization (cf. Carlson & Perrewe, 1995; Schminke, Ambrose, & Noel, 1997; Trevino, 1986). Again, because of their influence, leaders play a major role in establishing the ethical climate of their organizations. They will help the leader to achieve individual and organizational goals.

In brief, ethics is central to leadership because of the nature of the process of influence, the need to engage followers to accomplish mutual goals, and the impact leaders have on establishing the organization's values.

SOME RESEARCH TRENDS ON LEADERSHIP ETHICS

Some of the research have been conducted by prominent leadership scholars who have addressed issues related to ethics and leadership. Although many additional viewpoints exist, those presented are representative of what is currently the predominant thinking in the area of ethics and leadership.

Heifetz's Perspective on Ethical Leadership

Based on his observations and analysis of many world leaders like President Lyndon Johnson, Mohandas Gandhi, and Margaret Sanger, (Ronald Heifetz (1994) has formulated a unique approach to ethical leadership; it concludes that leaders help followers to confront conflict and to effect changes from conflict. Heifetz's perspective is related to ethical leadership because it deals with values—values of workers, and the values of the organizations and communities in which they work. According to Heifetz, leadership involves the use of authority to help followers deal with the conflicting values that emerge in rapidly changing work environments and social cultures.

Leaders must use authority to mobilize people to face tough issues. The leader provides a "holding environment" in which there is trust, nurturance, and empathy. Within a supportive context, followers can feel safe to confront and deal with hard problems. Specifically, leaders use authority to get people to pay attention to the issues, to act as a reality test regarding information, to manage and frame issues, to orchestrate conflicting perspectives, and to facilitate the decision-making process (Heifetz, 1994,). The leader's duties are to assist the followers in struggling with change and personal growth.

Burns's Perspective on Ethical Leadership

This study has been conducted by Burns. It is similar to Heifetz's Perspective Theory. It is important for leaders to engage themselves with followers and help them in their personal struggles regarding conflicting values. In the process, the connection between the leader and the follower raises the level of morality in both the leader and the follower.

The origins of Burns's position on leadership ethics are rooted in the works of such writers as Abraham Maslow, Milton Rokeach, and Lawrence Kohlberg (Ciulla, 1998). The influence of these writers can be seen in how Burns emphasizes the leader's role to attend to the personal motivations and moral development of the follower. For Burns, it is the responsibility of the leader to help followers assess their own values and needs in order to raise them to a higher level of functioning, to a level that will stress values such as liberty, justice, and equality (Ciulla, 1998).

Greenleaf's Perspective on Ethical Leadership

In the early 1970s, Robert Greenleaf developed a somewhat paradoxical approach to leadership called *servant leadership*. It is an approach that has gained increased popularity in recent years (cf. Block, 1993; De Free, 1989, 1992). With its strong altruistic ethical overtones, servant leadership emphasizes that leaders should be attentive to the concerns of their followers and empathize with them; they should take care of them and nurture them.

Greenleaf (1970, 1977) argued that leadership was bestowed on a person who was by nature a servant. In fact, the way an individual emerges as a leader is by first becoming a servant. A servant leader focuses on the needs of followers and helps them to become more knowledgeable, more free, more autonomous, and more like servants themselves. They enrich others by their presence.

In addition to serving, the servant leader has a social responsibility to be concerned with the "have-nots" and to recognize them as equal stakeholders in the life of the organization. Where inequalities and social injustices exist, a servant leader tries to remove them (Graham, 1991). In becoming a servant leader, a leader uses less institutional power and less control, while shifting authority to those who are being led. Servant leadership values everyone's involvement in community life because it is within a community that one fully experiences respect, tract, and individual strength. Greenleaf places a great deal of emphasis on listening, empathy, and unconditional acceptance of others.

In the novel *The Journey to the East*, by Herman Hesse (1956), there is an example of leadership that was the inspiration behind Greenleaf's formulation of servant leadership. The story is about a group of travellers on a mythical journey who are accompanied by a servant who does menial chores for the travellers but also sustains them with his spirits and song. The servant's presence has an extraordinary impact on the group, but when the servant becomes lost and disappears, the group of travellers falls into disarray and abandons their journey. Without the servant, they are unable to carry on. It was the servant who was leading the group. He emerged as a leader by caring for the travellers.

A common theme running through all three of the perspectives (i.e., Heifetz, Burns, and Greenleaf) is that the leader-follower relationship is central to ethical leadership. In addition, they all emphasize that it is critically important for leaders to pay close attention to the unique needs of their followers.

In many ways, the ideas presented by these leadership scholars are parallel to and consonant with the *ethic of caring* set forth by Gilligan (1982), who contended that personal relationships should be the beginning point of ethics. In the past 20 years, the "caring principle" has become recognized by scholars as one of the predominant moral principles. From a caring perspective, a leader's actions are morally correct if they express care in protecting the people with whom the leader has special relationships (Schumann, 2001). An ethic of caring is extremely important in organizations because it is the main ingredient in building trust and co-operative relationships (Brady, 1999).

PRINCIPLES OF ETHICAL LEADERSHIP

These principles are broadly divided into five types. The importance of these principles has been discussed in a variety of disciplines including biomedical ethics (Beauchamp & Childress, 1994), business ethics, counselling psychology, and leadership education. These principles provide a foundation for the development of sound ethical leadership: *respect, service, justice, honesty,* and *community* (see figure 5.1).

Principles of Respect

Philosopher Immanuel Kant (1724-1804) argued that it is our duty to treat others with respect. Leaders who respect others also allow them to be themselves, with creative wants and desires. They approach other persons with a sense of unconditional worth and valuable individual differences (Kitchener, 1984). Respect includes giving credence to others' ideas and confirming them as human beings. At times, it may require that leaders have to refer to others. As Burns (1978) suggested, leaders should nurture followers in becoming aware of their own needs, values, and purposes and assist them in integrating these with the leader's.
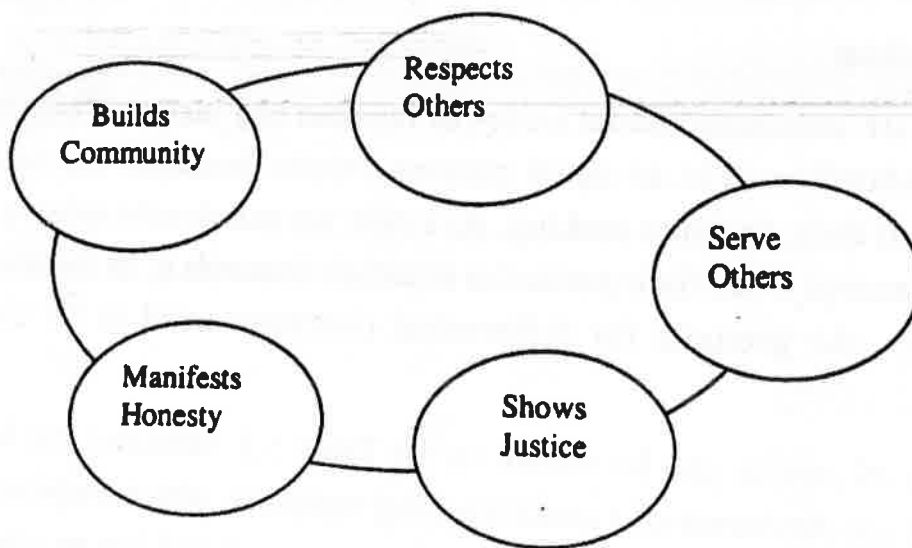

Fig. 5.1: Principles of Ethical Leadership

Respect for others is a complex ethic that is similar to but goes deeper than the kind of respect that parents teach children when they are little. Respect means that a leader listens closely

to his or her subordinates, is empathic, and is tolerant of opposing points of view. It means treating subordinates in ways that confirm their beliefs, attitudes, and values. When a leader exhibits respect to subordinates, subordinates can feel competent about their work. In short, leaders who show respect in fact treat others as worthy human beings.

Principle of Service

Earlier we have discussed, two ethical theories—one is concerned for self and another based on the interests of others. They are related to ethical egoism and ethical altruism. The service principle is clearly an example of altruism. Leaders who serve are altruistic; they place their followers welfare foremost in their plans. In the workplace, altruistic service behaviour can be observed in activities such as mentoring, empowerment behaviours, team building, and citizenship behaviours etc. The leader's ethical responsibility to serve others is very similar to the ethical principle in health care of beneficence. Beneficence is derived from the Hippocratic tradition, which implies that health professionals ought to make choices that benefit patients. In a general way, beneficence asserts that providers have a duty to help others pursue their own legitimate interests and goals (Beauchamp & Childress, 1994). Similar to health professionals, ethical leaders have a responsibility to attend to others, be of service to them, and make decisions pertaining to them that are beneficial and not harmful to their welfare.

In brief, whether it be Greenleaf's notion of waiting on the have-nots or Senge's notion of giving oneself to a larger purpose, the idea behind service is contributing to the greater good of others. In practicing the principle of service, ethical leaders must be willing to be follower centred, must place others' interests foremost in their work, and must act in ways which will be benefited to others.

Principles of Justice

Ethical leaders are concerned about issues of fairness and justice. They make it a top priority to treat all of their subordinates in an equal manner. Justice demands that leaders place issues of fairness at the centre of their decision making. As a rule, no one should receive special treatment o special consideration except when their particular situation demands it. In instances where individual are treated differently, the grounds for differential treatment need to be clear, reasonable, an based on sound moral values.

These principles of justice can be shown in the Table 5.1, consider the following hypothetic example. Imagine you are the owner of a small tracking company, which employs 50 drivers. You hav ust opened a new route, and it promises to be one that pays well and has an ideal schedule. Only on driver can be assigned to the route, but seven drivers have applied for it. Each feels he or she shou lave an *equal opportunity* to get the route. One of the drivers recently lost his wife

Table 5.1 Principles of Distributive Justice

These principles are applied in different situations

To each person

- an equal
- according to individual need
- according to that person's rights
- according to individual effort
- according to societal contribution
- according to merit

breast cancer and is struggling to care for three young children *(individual need)*. Two of the drivers are minorities and one of them feels strongly that he has a *right* to the job. One of the drivers has logged more driving hours for 3 consecutive years and she feels her *effort* makes her the logical candidate for the new route. One of the drivers serves on the National Safety Board and has a 20-year accident-free driving record *(societal contribution)*. Two drivers have been with the company since its inception and their *performance* has been meritorious year after year.

Principle of Honesty

Leaders are always advised to maintain honesty in achieving leadership success. To be a good leader, leaders need to be honest. The importance of being honest can be understood more clearly when we consider the opposite of honesty: dishonesty (cf. Jaksa & Pritchard, 1988). Dishonesty is a form of lying, a way of misrepresenting reality. Dishonesty may bring with it many objectionable outcomes, and foremost is the distrust it creates. When leaders are not honest, others come to see them as undependable and unreliable. People lose faith in what leaders say and stand for; their respect for leaders is diminished. As a result, the leader's impact is compromised because others no longer trust and believe in the leader.

When we relate to others, dishonesty also has a negative impact. It puts a strain on how people are connected to each other. When we lie to others, we are in essence saying that we are willing to manipulate the relationship on our own terms. We are saying that we do not trust the other person in the relationship to be able to deal with information we have. In reality, we are putting ourselves ahead of the relationship by saying that we know what is best for the relationship. The long-term effect of this type of behaviour is that it weakens relationships. Dishonesty, even when used with good intentions, contributes to the breakdown of relationships.

But being honest is not just about telling the truth. It has to do with being open with others and representing reality as fully and completely as possible. However, this is not an easy task because there are times when telling the complete truth can be destructive or counter-productive. The challenge for leaders is to strike a balance between being open and candid while at the same time monitoring what is appropriate to disclose in a particular situation. It is important for leaders

to be authentic but at the same time it is essential that they be sensitive to the attitudes and feelings of others. Honest leadership involves a wide set of behaviours.

Principles of Community

In Chapter 1, we defined leadership as the process of influencing others to reach a common or communal goal. This definition has a clear ethical dimension because it refers to a *common* goal. A common goal requires that the leader and followers agree on the direction to be taken by the group. Leaders need to take into account their own and followers' purposes, while working toward goals that are suitable for both of them. This factor, concern for others, is the distinctive feature that delineates *authentic* transformational leaders from transformational leaders (Bass & Steidlmeier, 1999). Concern for the common good means that leaders cannot impose their will on others. They need to search for goals that are compatible with everyone.

A transformational leader tries to move the group toward a common good that is beneficial for both, the leader and the followers. In moving toward mutual goals, both the leader and followers are changed. It is this feature that makes Burns's theory unique. For Burns, leadership has to be grounded in the leader-follower relationship. It cannot be controlled by the leader, such as Hitler's influence in Germany when Hitler coerced people to meet his own agenda—and followed goals that did not advance the goodness of humankind. An ethical leader takes into account the purposes of everyone involved in the group and is attentive to the interests of the community and the culture. Such a leader demonstrates an ethic of caring toward others and does not force others or ignore the intentions of others.

Exercise on Perceived Leader Intergrity Scale (PLIS)

Instructions

immed

acti

Key

1.

2.

3.

4.

> To identify the causes of Job Satisfaction
> To know the consequences of Job Satisfaction
> To study the benefits of Job Satisfaction

EMPLOYEE MORALE

INTRODUCTION

Motivation and morale are interrelated and they are different each other. The term Morale is used to armed forces during the war time to sports and military teams. It refers team spirit and cooperation of people for common purpose. Recently Its importance has been realized by the management. It is felt by the management that if employee morale is high production would be high and othe other hand if morale is low, production would be also low. Thus morale of the employee depends upon the motivation of an employee because both are interrelated.

Morale represents the attitudes of individuals and groups in the organization towards their work environment and towards voluntary co-operation to the full extent of their capabilities for the fulfillment of organizational objectives. Morale is the indicator of the attitude of an employee towards job.It is mental process to develop good relationship and feelings towards working environment.

DEFINITION OF MORALE

According to Theo Haimann; Morale is the state of mind and emotions affecting the attitude and willingness to work,which in term affects individual and organizational objectives.

In the simple terms Morale is level of job satisfaction within a group.

CHARACTERISTICS OF MORALE

> Morale is psychological process
> Morale is relative concept which is related to the attitude of the worker
> It reflects the degree of willingness of an employee to do the work
> Morale is related the employees feelings and sentiments
> Morale is dynamic in nature,it cannot be developed overnight.
> Morale is multi-dimensional process which represents human needs and motivational factors.
> Morale is intangible which means difficult to measure accurately

FACTORS DETERMINING MORALE

- Confident in leadership
- Job satisfaction
- Confidence in the co-workers
- Sound and efficient organization
- Fair remuneration
- Security of job
- Opportunity to rise
- Working conditions
- Physical and mental heath
- Relationship and cooperation of employees

POSSIBLE COMBINATIONS OF MORALE

Morale is one of the important factors to increase the productivity of an organization. Many other factors like technology, style of supervision and employee training, etc. also influence the productivity. There are four possible combinations of morale and productivity. They are as follows

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Box 12.1

- High morale and high productivity
- High morale and low productivity
- Low morale and low productivity
- Low morale and high productivity

CAUSES OF LOW MORALE

Box 12.2

- High rate of labor turnover
- High rate of absenteeism
- Excessive complaints and grievances
- Frustration among the employees
- Resistance to change
- Lack of discipline
- Low quantity and quality of output
- Antagonism towards management
- Lack of co-operation among the employees

MEASURES TO IMPROVE MORALE

Box 12.3

> ➤ Fair system of wage payment
> ➤ Sense of job security of employee
> ➤ Sound promotion policy
> ➤ Competent supervisors should be appointed
> ➤ Communications should be effective from top to bottom
> ➤ Free and frank consultation with employees
> ➤ Employee should develop loyalty
> ➤ Employees' Welfare facilities should be provided at satisfactory level
> ➤ Proper training programs should be organized for employees
> ➤ Employees should develop positive attitude towards job

ATTITUDE

IMPORTANCE OF ATTITUDE

Attitude of an employee is very important to perform his/her job in the Organisation. Attitude plays an important role to develop good human relations and better understanding among the people. Attitude is an individual characteristic way of responding consistently in a favorable or unfavorable manner to objects, people and environment. In simple terms attitudes are evaluate statement towards object people and environment. Attitude is interpretations and behavior of the person towards environment and people. Employees develop their own attitude towards organization and people. They have positive attitude and negative attitude. Attitude reflects the behavior and feeling of the person towards job and organization. Beliefs, values and sentiments are also influenced to develop the positive attitude of employee in the organization.

Definition of Attitude

Evaluate statements or judgments concerning objects, people and environment.

A learned disposition to respond in a consistently favourable manner with respect to a given object.

CHARACTERISTICS OF ATTITUDE

> ➤ Attitudes are evaluate statements to judge the people
> ➤ Attitudes are feelings and beliefs of individuals and group of people
> ➤ Attitudes are predispositions of individual towards given aspects of world

> Attitudes are organized and core to individual
> Attitudes are feelings of an individual about people and environment
> Attitudes are positive and negative

COMPONENTS OF ATTITUDE

Cognitive component of attitude: The beliefs, opinion, knowledge, or information held by the individual. Example: my superior is not fair.

Affective component of attitude: The feelings, sentiments, moods and emotions about some idea, person, event or object. Example: I don't like my superior because he never encourages me.
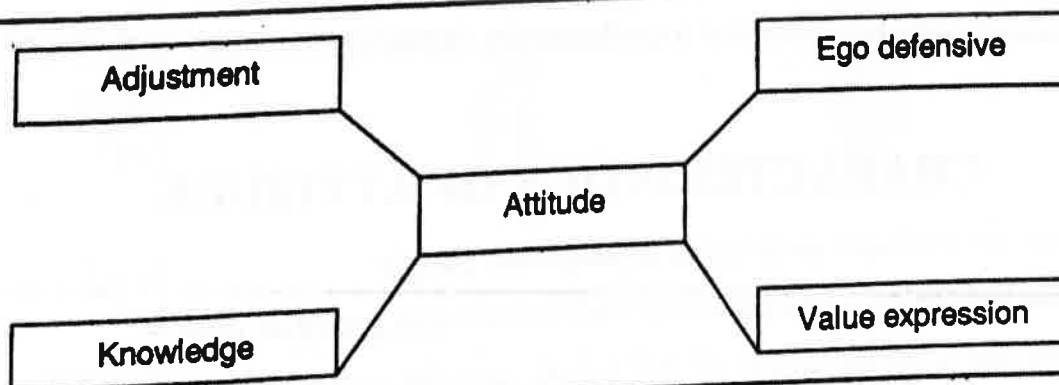
Behavioral component of attitude: The predispositions to get on a favorable or unfavorable evaluation of something. Example: I would like to request to transfer me to another department.
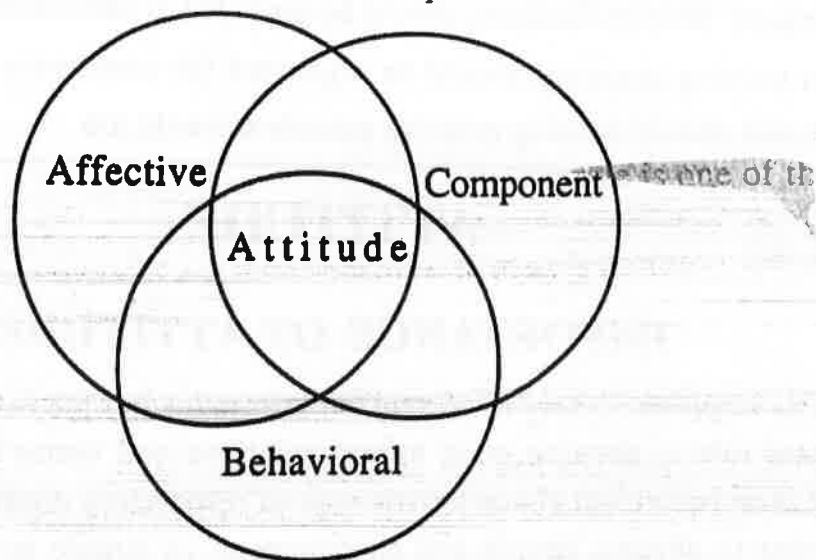
FUNCTIONS OF ATTITUDE

> Value expressive function
> Ego-defensive function
> Adjustment function
> Knowledge function

BOX 12.4

TYPES OF ATTITUDE

Job satisfaction & Job involvement

Organizational commitment

BOX 12.5	
Job Satisfaction & Job Involvement	*Organisational Commitment*
1. Wage and Salary of an employee	1. Turnover and Productivity
2. Promotions of an employee	2. Improvement of Quality of Work
3. Relationships with Supervisors and other employees	3. Commitment towards organizational objectives
4. Working conditions	4. Organisational effectiveness

ATTITUDE FORMATION

Employees form relationships with each other which influence the attitude to maintain and develop the association. It is a part of the activity of employee to form three main sources. They are as follows:

➤ Direct Experience with the Objective

ATTITUD HANGE

➤ Vicarious Learning

➤ Family and Peer groups

➤ Operant conditioning and Attitude acquisition

➤ Economic Status and Occupation

➤ Mass Communication

➤ Neighbourhood

E C

Teams and Teamwork

Learning Objectives of this Chapter are:

> To study the importance of Teams

> To understand the difference between Groups and Teams

> To identify the types of Teams

> To know the concept of Teamwork

> To examine the Team Building

> To identify the role of Team Member

> To know the Team Effectiveness

> To describe Building Trust

> To understand Team Development

IMPORTANCE OF TEAMS

Nowadays the world is changing fast and Trends are changing. It is true that the world has been evolving and changing since time began, but what is so different today is both the pace and effects of change, which impinge on everyone's life. Competition is hotting up. New products, new technologies, new processes hit the markets with frustrating regularity. In order to surive corporate are virtually compelled to economies on every front after modern technology, restructure operations, explore new market, find new uses of existing products, innovate, experiment and find new ways of living and most importantly use human resources productively. While fighting with the various forces of change, corporations have realized the importance of teams which are more flexible and responsive to changing events than are traditional departments or other forms of permanent groupings.

DIFFERENCES BETWEEN GROUPS AND TEAMS

A group consists of two or more individuals, interacting and interdependent, who have come together to achieve a common goal. Members interact, share information and help each other in order to realize the goals. On the other hand, a work team generates positive synergy through coordinated effort. The individual efforts result in a level of performance that is greater than the sum of those individuals inputs.

DEFINITION OF TEAM

A team may be *defined as a small group of people with complimentary skills who work actively together to achieve a common purpose for which they hold themselves collectively accountable.*

DEFINITION OF GROUP

Group can be defined "It is combination of two or more persons to interact to achieve common objectives".

Box 13.1   Features of a Team

Members

- Commited to goas they helped define.
- Possess complementary skills.
- Support one another willingly.
- Hold themselves collectively accountable for results.
- Trust and support other members.
- Offer suggestions and give feedback to other members.
- May disagree but work to resolve differences and reach consensus.
- In short teams create the potential for an organization to generate greater outputs with no increase in inputs.

- A work team produces positive synergy through coordinated effort.
- Members put their (abilities, skills and knowledge) to best use in producing an overall level of performance that is greater than the sum of the individual inputs.
- Teams focus on individual and mutual accountability-that is, they work together to produce an outcome (e.g. product, service or decision) that represents their joint contributions , and each member shares responsibility for that outcome.
- Team members also share a common commitment to purpose-typically positioning a firm at the top or serving customers in the best possible way, or producing quality products better than rivals, etc.

> Teams usually set their goals and choose the approach that helps them realize those goals without interference from management.
> The differences between the two concepts may be summarized thus

Group	Point	Team
Box 13.2 Comparing Work Group and Work Teams		
A function of what its members individuals	Performance	Performance includes individual do as efforts and collective work products which are the result of joint, coordinated efforts.
Strong, clearly focused leader	Leader	Shared Leadership roles
Individual Accountability	Accountability	Individual and mutual accountability
Runs efficient meetings	Meetings	Encourages open-ended active, problem-solving meeting
Random and varied	Skills	Complementary
Neutral (sometime negative)	Synergy	Positive
Discusses, decides and delegates	Functioning	Discusses, decides and does real work together

Teamwork has a synergistic effect in that the individuals working together achieve more than they could alone. Members share a common purpose which is clear to each team member. Teamwork, in any case does not just happen, it needs continuous effort. The effort should also be enjoyable, full and should result in a feeling of personal satisfaction for every team member. Much of his job is done by the the team leader who makes them realize that team interests are above personal aspirations. Another feature of the team is that it has a 'feel' about it, a sort teamness. Members exchange feelings, opinions ideas freely discuss openly and try to learn from each other.

TYPES OF TEAMS

Teams are classified into four. They are as follows:

Problems Solving Teams

It is a group of 5 to 10 employees from the same department, who voluntarily meet for a few hours each week to discuss and solve quality, cost, ways of improving efficiency and other work-related problems. The recommendations of the team, emerging out of such regular meetings, are put forward before management for approval. Problem solving teams normally are the first step in a company's move toward great employee participation. As the company matures, problems-solving teams can take the shape of self-directed teams.

> Ensure that all divergent points of views are explicitly recognised and examined acilitate the building of much trust as possible within the group, so that no one feels that someone else will try to take advantage of them.

Virtual Teams

IBM began to use virtual teams in early 1970s. Currently, about one out of three IBM employees participate as a member of atleast one virtual team. Members need not be working in close proximity and may often be geographically dispersed-cross-organizationally or cross-nationally. Almost all meetings could take place via electronic communication (including wide area networks, video conferencing, fax, e-mail, etc.) Sometimes a company may also virtual teams in partnership with suppliers or in many cases with competitors brains to complet to pull together the best brains to comple to a project or speed a new product to market. Leadership among team members is shared or altered depending on the area of expertise required to each stage of the project.

Virtual teams bring cost effectiveness and speed to teamwork where members are unable to meet easily face-to-face. There is the added advantage of objective information sharing and decision making based on facts. Where members are well trained in the use of computers and are able to process and interpret data without any emotional considerations, virtual teams may yield positive gains.

On the negative side, virtual teams suffer from lack of social rapport and direct interaction. The information exchange may take place speedily but in the absence of direct contact, even straight forward ideas may be misinterpreted.

> Careful selection of partners and team members; encourage team members to interact one to one, without feeling obliged to copy every email message to the entire team; encourage team members to discuss cultural differences freely.

> Strong management support of the team and its goals; be sure that someone is responsible for facilitating the communication process.

> Utilization of best communication tools and procedures, better to use a variety of communication technologies; pay special attention to the quality of the communication transmission (like low quality voice transmissions, poor video images, etc.).

> Development of trust among all members; to achieve this, it is better to hold an initial meeting on a face to face basis; whenever possible individual team members could pay a visit and meet members who are easily accessible; periodic meetings with members of course minimize the dangers emanating "out of site, out of mind" attitudes.

> Information sharing; also train team members to match their choice of technology to the task.

TEAMWORK

group members work together in ways that utilize their skills to

Self-managing Teams

Self-managing teams typically consist of 6 to 15 multi-skilled workers who rotate jobs to produce an entire product or service or at least one complete aspect or portion of a product or service such as engine assembly, insurance claim processing, etc. These groups are empowered to make the decisions required to manage themselves on a day-to-day basis.

Self-directed teams typically include the following elements:

> The team includes employees with several skills and functions and the combined skills are sufficient to perform a major organizational task. A team may include members from the foundry, machining, grinding fabrication and sales departments, with each member cross-trained to perform one another's job.

> The team is given access to resources such as information, equipment, machinery and supplies required to perform the complete task.

> The team is empowered with decision-making authority which means that members have the freedom to select new members, solve problems, spend money, monitor results, adapt to changing conditions and plan for the future.

> It also has a strong commitment to the organisation's mission, the autonomy needed to control its own activities, belief in itself and a chance to see directly the impact of its efforts.

Self-directed teams have proved to be effective. Several companies such as Federal Express and IDS have boosted productivity upto 40 percent by adopting self-directed teams.

Cross-functional Teams

It consists of a group of employees from about the same hierarchical level, but from different work areas who come together to accomplish a task. A task force or a project team comes under this category· These teams are created to deal with a specific problem and are usually disbanded when the task is completed or the problem is solved. A committee is (another cross-functional team) a formal organizational team usually relatively long lived, created to carry out specific organizational teams to speed the process of bringing new drugs to the market place. Major automobile manufacturers including Toyota, Honda, BMW, Ford, GM, Daimler Chrysler, Mahindra & Mahindra, Tata Motors have relied on cross-functional teams to create and manufacture new models.

However, cross-functional teams are not easy to manage. Members from various fields with diverse backgrounds may find it difficult to get along, especially during the formative stages of the team.

> Work to see that each member belives that he or she has the opportunity to influence the goups's decision making (stake building)

> Try to make sure that members' expectations and personal agendas are brought before the team and deliberated upon freely (transparency)

respond constructively to views expressed by others. Team work of this nature, of course, does not just happen. You cannot simply expect people to do a great hob by assigning members to a group.

High performance teams thus have strong core values, clear performance goals, the right mix of skills and creativity. Members in a homogeneous group (when members are alike in respect of age, gender, race, ethnicity experience, etc.) may score better than others in most cases because they find it easy to build social relationship quickly and begin interactions needed to work harmoniously together. Team diversity (in terms of demography, experiences, cultures) may create performance difficulties initially.

TEAM BUILDING

Team building is a broad title for activities designed to construct, develop and sustain groups of people who are working together to achieve common goals with a commitment to taking collective responsibility. (Watson) The process begins collective efforts.

1. **Size:** High performing teams tend to be small (generally 5 to 12). Large groups do not allow members to develop close understanding and rapport easily.

2. **Skills:** Members must possess three kinds of skills. The most important one is the technical competence, followed by problem solving and interpersonal skills.

3. **Role:** For a team to be successful over the long run, it must be structured so as to both maintain its members social well being and accomplish its task. Two types of roles are worth highlighting here.

Box 13.3 Roles of Team Member	
Task Specialist Role	**Socio-economic Role**
People who play the task specialist role display the following behaviours.	People who support team members' emotional needs play the following roles:
➤ **Initiation:** Purpose new solutions to team problems.	➤ **Encourage:** Warm and receptive to others' ideas; praise and encourage others to draw forth their contributions.
➤ **Give opinions:** Offer opinions on task solutions; give candid feedback on others' suggestions	➤ **Harmonise:** Reconcile group conflicts; help disagreeing parties reach agreement.
➤ **Seek Information:** Ask for task relevant facts.	➤ **Reduce tension:** May tell jokes or in other ways draw off emotions when group atmosphere is tense.
➤ **Summarise:** Relate various ideas to the problem at hand; pull ideas together into a summary perspective.	➤ **Follow:** Go along with the team; agree to other team members' ideas.
➤ **Energizer:** Stimulate the team into action when interest drops.	➤ **Compromise:** Will shift own opinions to maintain team harmony.

Some may even play a role, where the member contributes to both the team's task and supports members' emotional needs. Members who do not take an active part (playing a non-participative role) are held in low esteem by the team as a whole. Effective teams must have people in both task specialist and socio-emotional role.

1. **Behaviours:** Team members must exhibit certain behaviours which help in developing close ties with others (S.R. Lloyd). These are listed below:

Box 13.4 Team Members: Ground Rules

> ➤ Speak respectfully to one another and about one another.
> ➤ Listen without interrupting
> ➤ Express opinions, feelings openly, honestly
> ➤ Make 'I' statements and not 'you' statements.
> ➤ Ask for help when needed, offer help when possible.
> ➤ Make commitments seriously and keep them.
> ➤ Support the team and each other.
> ➤ Focus on problems and solutions, not blame and accusations.

Box 13.5

People related factors
- Personal work satisfaction ⟶
- Mutual trust and team spirit
- Good communications
- Low unresolved conflict and power struggle
- Low threat, fail-safe, good job security

Organisation-related factors
- Organizational stability and job security
- Involved, interested, supportive management
- Proper rewards and recognition of accomplishments
- Stable goals and priorities

Effective team performance
1. Innovative ideas
2. Goal(s) accomplished
3. Adaptable to change
4. High personal/team commitment
5. Rated highly by top Management

Task-related factors
- Clear objectives, directions, and project plans
- Proper technical direction and leadership ⟶
- Autonomy and professionally challenging work
- Experienced and qualified project/team personnel
- Team involvement and project visibility

Rewards

Members who indulge in social loafing (the tendency of individuals to extend less effort when working collectively than when working individually), as stated above, are not held in high esteem in a group setting.

Leaders

The successful functioning of a team depends to a large exten on the 'soft skills' exhibited by the leader in the frm of communication, conflict resolution, motivation, sharing and trust building. They can be mentioned in the

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Box 13.6

- First, the leader should know his own strengths and how those strengths and how those strengths can help the entire group.
- Second, the leader should share power and information in order to empower team members and reach goals.
- Third, team leaders should enable members to find answers for themselves by asking questions and encouraging balanced participation.
- Fourth, team leaders should coordinate team activities and avoid wasting time on details that can be better handled through transfer of responsibility to the team.
- Fifth, leaders should accept the concept of continuous, on-the-job learning.

BUILDING TRUST

The mere presence of a good leader does not guarantee the success of a team automatically unless members trust the leader. Trust, a belief in the integrity, character or ability of others, is essential if people are to achieve anything together in the long run.

The primary responsibility of creating trust in the minds of members rests with the leader/ manager. The manager by virtue of his hierarchical advantage has greater access to key information. If the manager tries to get results through intimidation, members join together incohesive resistance.

Box 13.7 Trust and Effective Group Interaction

Trust	:	A personal commitment to openness and trust
		A willingness to change if necessary.
Information	:	Full disclosure of relevant information, feelings and opinions
Control	:	Reliance on self-control rather than procedural control
		Confidence that others will perform as agreed
		Mutual commitment to success
Influence	:	A willingness to be influenced by others concerning goals

Ways to Build Trust

Trut is a fragile thing and it grows slowly. A thoughtless remark, sometimes, may destroy years of hard work. According to Bartolome, managers need to concentrate on the following points (Bartolome) mentioned in

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Box 13.8

- Demonstrate that you are working for others' interests as well as your own.
- Support your work team wholeheartedly. When the team is under attack, you must demonstrate your loyalty to the team through your words and actions.
- Keep people fully informed about what is going on. Explain your decisions. Let them know the problems. If you hold back any of these, members begin to suspect your moves and withdraw support.
- Rewards must equal contributions. Learn to appreciate and give credit to people who show performance.
- In addition to cold facts, you need t share your feelings with team members. Such an interchange of opinions, helps you move closer to your teammates.
- If people share their concerns and feelings with you, do not try to betray their confidence by leaking it to affected parties.
- Learn to guide others through technical competence, team building and interpersonal skills.

TEAM DEVELOPMENT

How to create and develop effective teams? The following tips should help managers in answering this question. (Hayward)

Box 13.9 Team Development

Tips

1. Create a balanced set of roles.
2. Develop communication and process awareness.
3. Diagnose and manage teams.
4. Understand team preferences.
5. Define team goal.
6. Establish review mechanisms.
7. Share leadership and create equality of contribution
8. Develop facilitation skills for effective meetings.
9. Confront issues and problems.
10. Decision making based on consensus.

> **Balanced roles:** People with different work preferences must gain entry into teams rather than like minded people.

- **Open communication:** Communication should be open, flexible and capable of building trust between people.

- **Handling stress:** Working with others in close proximity can itself be stressful. Aditionally, we tend to react differently to various work pressures.

- **Team choices:** These choices must be made explicit. Once the range is known, alternatives could be ascertained. Support someone from the team says. "I think teams are good in principle, but in practive they can be a complete waste of time". Once a response like this comes out, the team can begin to deal with it.

- **Team goals:** Teams make sense only when there is a common goal which requires colletive action. Defining the team's purpose is vital.

- **Shared leadership:** Teams need different frms of leadership at different times. Both the leader and the members must be willing to exchange roles, depending on the situation.

- **Facilitation skills:** Ensure that team meetings are well organized, allowing enough roomd for all to express their feelings and thoughts properly.

- **Shake of constraints of the past:** All relevant issues affecting the functioning of a team must be discussed, debated and resolved.

- **Consensus:** Team decisions need to be based on consensus, so that all members can agree with - and be committed to – implementing important decisions.

CASE ON TEAMS AND TEAMWORK

On November 17, 1998, Daimler Benz and Chrysler finalised a $35 billion transatlantic merger. The merger made sense economically and provided a number of advantages for both of the previous companies. Chrysler wanted to improve its image as a maker of luxury automobiles; Daimler wanted to improve the marketability of its cars and expand into the light truck segment. Although Daimler Benz has always been known for its German craftsmanship and meticulous attention to detail, Chrysler added its expertise in using the platform team as a method of putting cars together.

The platform team is one thing that did not change with the merger and continues to add considerable value to the production process as its application is expanded.

Actually, the platform team, long the standard way of putting cars together among Japanese automakers, was officially embraced by Chrysler executives several years ago as superior to the compartmentalised functional system still prevalent throughout the US auto industry. Simplification is the goal of the platform team. When designers, product engineers, manufacturing engineers, purchasing agents, suppliers and line workers make decisions together from the beginning, it saves time, money, and untold hassles when the car finally goes into production.

A typical example of how teams can contribute to productivity occurred at Chrysler's assembly plant at Brampton, Ontario. Don Callahan and Brian Large huddled around a half-built Dodge intrepid; trying to figure out why the warning light on the instrument panel was on even though the air-conditioner was working fine. Both men were members of the LH car's "platform team".